truth of the matter is the experience has been, with the breakup of AT&T, that what we have now is 500 competitors in the long distance market. And with this bill by breaking up the regional Bell operating companies—this is how you legislatively, not by court order, but legislatively break up the monopolies of the local exchange—we are going to bring in hundreds and thousands of competitors. We are doing this in the most deliberate, measured fashion possible in that we appreciate that we in America have the best communications system in the entire world.

We are not repairing the communications system in that light. What we are trying to do is remove the obstruction in the middle of the information superhighway, namely, the Government. With all the plethora of rules, hearings, injunctions and precedents, we are finding now that the judicial branch is totally overwhelmed; it could not possibly deal with the explosion of this technology. No one individual could.

On the other hand, we are going to get communications policy back into the policymaking body of our Government, namely, the Congress and its administrator, the Federal Communications Commission.

We have an outstanding bill. Senator PRESSLER has done an outstanding job. I am ready, as I understand, to prepare to vote on the Dole amendment, the Breaux amendment, which will be agreed to, and then final passage.

As I stand here, I have been moved, as all Senators do, from the subject of the week—almost like Sealtest Ice Cream; we have the flavor of the week—we move to the other particular issue at hand. But staff on the other side of the aisle has been duly recognized, and I would again recognize Kevin Curtin and John Windhausen and Kevin Joseph, as well as Jim Drewry, Sylvia Cikins and Pierre Golpira, on our staff. They have worked not just during the 5 days of the week but weekends and evenings, around the clock, on and on again to keep us on a deliberate, measured, fair course of entering into competition and maintaining at the same time the wonderful universal service that we have.

There is a tremendous balancing act that is involved here, and no one should run a touchdown in the wrong direction with the idea that, yes, we could have gotten in more competition or more protection for the consumers. We have gotten in the basic competition and the basic protections that were necessary and even more.

So with that said, I hope we can move to the vote on the Dole amendment, Mr. President.

Mr. PRESSLER. Mr. President, when we receive notification from the leadership on both sides—I am certainly eager—we will vote. We are awaiting word.

I welcome all Senators who have statements.

I, too, wish to thank my friend, Senator HOLLINGS, for his great leadership. He has been working on this bill for years and years, and he got a similar earlier version through the Commerce Committee last year, where he has done a terrific job. He has been great to work with. Without his efforts, we would not have gotten this bill out of the committee or to this point. He has helped bring broad bipartisan support and has shown great courage and independence. He has done a terrific job.

Extraordinary effort has been expended on the measure's birth and ultimate passage. I have already talked about the process the staff went through in drafting this bill. This was not drafted outside of the Capitol as some have said. It was drafted in long nights and weekends by bipartisan staff working together at the direction of the Senators.

I wish to thank my committee chief of staff, Paddy Link, who has worked tirelessly on this bill. She is a first class professional without whom this telecommunications bill would not have passed. Communications counsels Katie King, who has done a terrific job in working diplomatically with the staffs of many Senators with an interest in the legislation, and Donald McClellan, who has worked days, nights, and weekends for months on this bill. Together, their efforts have helped shape this historic legislation. Special thanks must also go to staff assistants Sam Patmore, James Linen, and Antilla Trotter.

Senator HOLLINGS' staff has been enormously helpful in this effort. Commerce Committee Democratic chief counsel and staff director Kevin Curtin has been of invaluable assistance in this bipartisan effort, with his legislative drafting skills and knowledge of procedure. Counsels John Windhausen and Kevin Joseph brought their great expertise to the task; and staff assistant, Yvonne Portee. The good working relationship our committee staff has developed is the major reason we have been successful in developing a bill.

Lloyd Ator of the Commerce Committee bipartisan staff deserves thanks from both sides of the aisle for his legislative drafting skills.

Additionally, my heartfelt thanks are extended to the following staff members who have devoted substantial hours working with the committee in the process of getting this measure to the floor and passed. This is more or less the team that worked on the legislation. I used to go up and occasionally bring them some pizza. I do not know if people in the outside world realize how hard this staff on Capitol Hill works, especially when there is a major bill coming up.

I want to thank: David Wilson from Majority Leader DOLE's office for his assistance in getting the bill to the floor and for working with my staff; Elizabeth Greene, for her invaluable assistance while the bill was on the floor; Jim Weber, from the Democratic Leader DASCHLE's office for his assistance; Chip Pickering with Senator LOTT; and, Earl Comstock with Senator STEVENS. I must add that night after night, Chip Pickering helped lead a bipartisan team. Chip will someday be one of our Nation's finest leaders. Earl Comstock is one of the brightest, hard-working people I have ever encountered.

I also thank: Hance Haney with Senator PACKWOOD; Mark Buse with Senator MCCAIN; Mark Baker with Senator BURNS; Gene Bumpus with Senator GORTON; Amy Henderson with Senator HUTCHISON; Angela Campbell with Senator SNOWE; Mike King with Senator ASHCROFT; Margaret Cummisky with Senator INOUYE; Martha Moloney with Senator FORD; Chris McLean with Senator EXON; Cheryl Bruner with Senator ROCKEFELLER; Scott Bunton and Carole Grunberg with Senator KERRY of Massachusetts; Mark Ashby with Senator BREAUX; Andy Vermilye with Senator BRYAN; Greg Rohde with Senator DORGAN; and Carol Ann Bischoff with Senator KERREY of Nebraska.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to speak for 10 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

DOD UNMATCHED DISBURSEMENTS

Mr. GRASSLEY. Mr. President, many times in the last several months, I have addressed my colleagues in this Chamber on the subject of the bad accounting system in the Defense Department and particularly the subject of unmatched disbursements, a subject that involves the principle that if you are going to spend the taxpayers' money, you ought to be able to show exactly what that money went for.

The Defense Department has accumulated several billions of dollars over the last several years in money that has been spent. It is very difficult for them or anybody else to show exactly what that money has bought: A service or commodity.

So the unmatched disbursement problem at the Pentagon has been a problem that has been simmering on the back burner for several years. Now, all of a sudden, it is on the front burner, and the pot is boiling over.

The Department of Defense is getting hammered with bad publicity about this problem. Most of the heat is directed at the Defense Department's chief financial officer, Mr. John Hamre. He is fighting back, countering with damage control, sending letters and papers to allies on the Hill. He is trying to debunk all the criticism being directed his way.

As I have said many times, I think that Mr. Hamre is trying to do a good job. I think his heart is in the right place, but career bureaucrats under him are feeding him bad information.

In a nutshell, Mr. President, this is the problem: The Department of Defense does not match disbursements with obligations before making payments. Unless the matches are made,

then we do not know how the money is being spent. Of course, this leaves the Department of Defense accounts vulnerable to theft and abuse.

DOD accounts are vulnerable to the tune of at least $28 billion. Those are not my numbers, those are the Department of Defense numbers. Mr. Hamre is desperately trying to diffuse all the criticism. Mr. Hamre says that my arguments that I have been stating on the floor over the last several months are baloney. He says the Department has, in his words, ''certified receipts for every penny spent.''

Mr. President, he said that in his latest rebuttal, and his rebuttal appears on page A15 of the June 10, 1995, Washington Post. I ask unanimous consent to print that article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 10, 1995]

PENTAGON SPENDING: BY THE BOOKS

(By John J. Hamre)

Colman McCarthy's May 23 column ''The Pentagon's Accountability Problem'' so badly distorts my statements on Department of Defense financial management that the record must be corrected.

McCarthy implies that I am a naive dupe absolving government workers and defense contractors of any financial responsibility. He further suggests that our reform efforts are merely verbal smokescreens to mask business as usual. Nothing could be farther from the truth.

It is clear McCarthy did not attend the May 16 congressional hearing on which he bases his column. Had he been there he would have learned that not a penny of taxpayer dollars has been ''lost,'' as his article implies—since the crux of the matter is not ''phantom payments'' but outmoded accounting procedures.

For every disbursement he characterizes as lost, we have a validated receipt with an independent confirmation that the government received the goods and services. He also would have learned that in the past 18 months we researched and correctly accounted for $20 billion in problem disbursements inherited from a decade of defense spending. He would have learned that during the same time period we also froze more than 20,000 payments to more than 1,500 contractors until we could correct underlying accounting problems.

He would have learned that we are reversing a 25-year-old ''pay first, account later'' policy. Beginning this summer, we will match disbursements to accounting records—not just against valid, certified invoices as we do now—before payments are made. And he would have learned that we created a special financial fraud detection organization.

Unfortunately none of this was reported by McCarthy, and I am unaware of any effort on his part to attempt to gather the facts.

The public has every right to know the extent of the Pentagon's accounting problems, as well as the efforts in place to remedy them. Your readers deserve far better than McCarthy provided.

Mr. GRASSLEY. Mr. President, I want to state, where he says that ''the crux of the matter is not phantom payments but outmoded accounting procedures,'' I will agree with him on the outmoded accounting procedures, but I will not believe that that is an excuse for getting off the hook. It is designed to put us at ease, Mr. President. I think it is a neat distraction. Outmoded accounting procedures are seemingly harmless, are they not? They pose no threat, seemingly, to the security and the control of money. But that is a long way from the truth.

To assure us that no money has been lost, Mr. Hamre makes one bold assertion, and he makes it from this article. It says:

> For every disbursement he characterizes as lost, we have a validated receipt with an independent confirmation that the Government received goods and services.

I think I know what Mr. Hamre is trying to say. He is trying to say for every Defense Department payment, he has a receipt to prove that the goods and services were actually received. This was brought up in some recent testimony of Mr. Hamre on the Hill. He used form DD250 as an example of ''validated receipts''—his words. Those are his words, ''validated receipts for goods handled.''

The DOD form DD250 is called the Materials Inspection and Receiving Report. I have a copy of that here.

This particular one that I have in my hand is for the purchase of a high-powered amplifier for the Air Force Milstar satellite.

I ask unanimous consent to print this in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MATERIAL INSPECTION AND RECEIVING REPORT

Proc. Instrument Iden. (Contract): F19628–89–C–0131.
Invoice: 10030–472, 92Dec14.
Shipment No.: WAL0051.
Date shipped: 92Dec08E.
BA: D–2,424,371B.
TCN: S2206A2275A270XXX.
Prime contractor: Raytheon Co., Equip. Div. Headquarters, Hager Pond Facility, 1001 Boston Post Rd., Marlboro, MA 01752.
Administered by: DPRO, Raytheon Co., Wayside Ave., Burlington, MA 01803–4608.
Shipped from: Raytheon Co., 20 Seyon St., Waltham, MA 02254.
Payment will be made by: DFAS—Columbus Center, Attn: DFAS–CO–EB/Bunker Hill, P.O. Box 182077, Columbus, OH 43218–2077.
Shipped to: FB2049, Transportation officer, McClellan AFB, CA 95652–5609.
Marked for: FB2049, Account 09.
Item No.: H00A.
Stock/Part No.: MOD: P00017; CLIN: 0003AB.
Description: NSN: 5895–01–325–8555MZ; P/N: G287706–1; Amplifier, R.F.; Rev: BT/AV; Ref: PLG494453–21; S/N: 1005; Containers: 1 Skid; Gross shipping wt: 230#.
Quantity Ship/Rec'd: 1.
Unit: EA.
Unit price: $363,735.00.
Amount: $363,735.00.
Total: $363,735.00.
Procurement quality assurance: A. Origin—Acceptance of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.
Receiver's use: Quantities shown in column 17 were received in apparent good condition except as noted.
Date: Dec. 4, 1992.
Typed name and office: D Albrizio, S2205A.
Tax coding: 04–671.
Customer code No.: 53–936493–2.
Remit to: Raytheon Co., D–3007, P.O. Box 361346, Columbus, OH 43236–1346.

Mr. GRASSLEY. Mr. President, form DD250 is meant to tell us a lot. But what does it tell us? For starters, it gives us the contract number: F19628–89–C–0131.

It tells us that the Milstar amplifier was shipped on December 8, 1992.

It tells us the contractor was Raytheon, Burlington, MA

It tells us the amplifier's destination was McClellan Air Force Base, CA.

It gives us the national stock number: 5895–01–325–8555MZ.

It gives us the amplifier's serial number: 1005.

It tells us that the unit price for the amplifier is $363,735.

Remember that figure, because I am going to tell you how this item was sold for $20 in just a minute.

Finally, it tells us the name of the Government official who accepted the amplifier and certified that it met contract specs. The certifying official's name shown is D. Albrizio.

Well, Mr. Hamre wants us to believe that DD250, the form I inserted into the RECORD, is proof that the Government got what it paid for.

Now, the Air Force got the Milstar amplifier, right? No, they did not get it. We paid for an amplifier all right. Yes, we did. But we did not get it—at least not right away.

A citizen in North Carolina—Mr. Roger Spillman—got this $363,000 amplifier instead. While there is a long trail of signed certified receipts proving—and I use that advisedly—that DOD received it, the amplifier never showed up at the warehouse where it belonged.

First, it turned up as something identified as unknown overage cargo at the San Francisco terminal of the Watkins Motor Lines. Watkins had a DOD contract to deliver it to the McClellan Air Force Base. It was held there in San Francisco for 30 days. When no one showed up to claim it, it was shipped to Watkins salvage warehouse in Lakeland, FL. The Milstar amplifier was stored in the salvage warehouse for about 9 months.

Now, at that point, it was declared excess cargo and shipped to DRS, Inc., in Advance, NC, for auction. The public auction was held on October 25, 1993. The bidding started at $20. Within 45 seconds, Mr. Roger Spillman was the proud new owner of the Milstar amplifier, and it cost him exactly $75. Remember, for the original product we paid $363,000-plus.

The Air Force did not know the amplifier was missing until the owner, Mr. Spillman, called to request the instructions manual because he wanted to use it. That was almost a year after DOD officials had shown us this validated receipt of the amplifier.

Mr. President, what lesson does the case of the missing Milstar amplifier teach us? It is this: Despite Mr.

Hamre's assurances to the contrary, the form that I have been reading from today—the DD250—provides no guarantee that DOD gets what it pays for. All the form does is tell DOD what is supposed to be on the loading dock or stocked in some warehouse. It does not mean that it is really there.

The DD250 is not an internal control device.

The DD250 will not tell us whether the item received was indeed ordered.

The DD250 will not tell you whether the price paid was the price agreed to in the contract.

The DD250 will not tell you whether your accounts contain enough money to cover the payment.

The DD250 will not warn you if you are about to make an underpayment, overpayment, or erroneous payment.

To protect and control public money, then, the Defense Department must match disbursements with obligations before payments are made. That is the way it must be done.

These DD250 forms are no substitute for nitty-gritty accounting work.

If Mr. Hamre wants to do effective damage control and silence his critics, then he needs to go back to the drawing board. He needs to find a device that addresses the source of the criticism. These forms—the DD250's—miss the mark, and miss it completely. The DD250's do not protect and control the people's money.

Mr. Hamre is the DOD comptroller, and he ought to know all these things.

Mr. President, I yield the floor and yield back any time I may have.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1283, TELEVISION CONTENT

Mr. DODD. Mr. President, I rise to address the issue of television violence, which we debated earlier this week in the context of this telecommunications bill. I opposed the Lieberman-Conrad amendment on this subject, but I strongly supported the Simon-Dole sense of the Senate amendment. I want to take this occasion to briefly sketch out my thinking on this subject.

I completely agree with my colleagues about the terrible effects of television violence on our children. The average American child witnesses 8,000 murders and 100,000 other acts of violence on television by the time he or she finishes elementary school. That is simply unacceptable. The American Medical Association, the National Commission on Children and other interested groups and individuals have spoken persuasively about the effect of this incessant violence on our children.

I believe that something must be done about this terrible problem, but I also believe that it should be up to parents and the industry itself to accomplish that end. This is an area where I do not believe Congress should be mandating a solution. Especially in the context of this deregulatory bill, we should not be creating federal commissions to promulgate highly prescriptive new rules in areas we should stay out of.

I was also concerned about some of the vague language in the Conrad-Lieberman amendment. It refers, for instance, to ''the level of violence or objectionable content.'' We might—might—be able to come to agreement on a definition of ''violence,'' but I do not see how we could reach a consensus on the meaning of ''objectionable content.'' Everyone would have a different view.

As consumers and parents, we must all do a better job of turning the dial when programming to which we object comes across our television set. If that were to happen in large numbers, the market would dictate a dramatic improvement in television programming.

I supported the Simon-Dole sense of the Senate amendment, which calls on the industry to police itself but does not establish an unprecedented set of onerous government rules. I think this represented a more sensible approach to this problem.

AMENDMENT NO. 1325

Mr. DODD. Mr. President, I rise in support of Senator WARNER's amendment requiring Bell operating companies to fully disclose their protocols and technical requirements for connection with their facilities. This is a complex, technical issue, but it is a critical safeguard as the Bell companies move into manufacturing.

Section 222 of the bill before us applies the same competitive check list to Bell entry into manufacturing as it does to entry into long distance services. I have been concerned, however, by the fact that the legislation carves out a major exception for manufacturing research and design activities. This exception would allow Bell companies to commence these activities almost immediately.

Research and design is one of the most expensive phases of the manufacturing process, and it often holds the key to the end success of the product. But under S. 652's provisions, Bell companies would be able to engage in such activities before they face competition. This could open the door to cross-subsidization, unfair use of privileged information about RBOC network interfaces and other monopoly abuses that could decrease competition in the already competitive telecommunications manufacturing industry.

I have argued that the simplest solution to this problem was to delete the bill's exception for research and design activities. But this solution proved unacceptable to the bill's managers, so instead I supported Senator WARNER's efforts to add important safeguards.

Senator WARNER's amendment would ensure that the public network remain open and accessible to independent manufacturers. By requiring disclosure of technical specifications and planned changes in those specifications, the amendment would prevent Bell companies' manufacturing subsidiaries from gaining exclusive or early access to the kind of information that is the lifeblood of telecommunications manufacturing.

Independent manufacturers do not fear competition from Bell companies, so long as that competition is fair. Senator WARNER's amendment makes a great deal of progress in the effort to ensure fairness, and I hope we can build on this progress to make further improvements as this bill moves to conference.

I thank Senator WARNER for his leadership on this important issue, and I also thank Senators HOLLINGS and PRESSLER for agreeing to accept this modest amendment.

Mr. BINGAMAN. Mr. President, today we have had an historic opportunity to vote on a sweeping revision of the 1934 Communications Act, an act which is now, over 60 years after its original passage, woefully out of date. We tried last Congress to revisit this legislation but we were unable to bring the matter to the floor. I am glad that we have had a chance to consider this legislation on the floor this year. I hoped to be able to vote for it. We owe it to the people of this country to modernize the laws which govern telecommunications services and to do so in a way that promotes competition among the companies attempting to provide those services, and thus provide American families with more and better services at lower prices.

This legislation serves the first purpose—that of modernizing the law to reflect the many changes in technology since 1934.

However, there is a real question as to whether the end result will be more competition. On the contrary, I believe that the result of this bill may be more concentration of power in the market. I do not believe American families will benefit from this concentration.

I would like to believe what I have heard on the floor over the last week: that true competition will ensue from this bill, and the result of that competition will be a new world of innovative products at affordable prices. Nevertheless, I fear that the flaws in this bill will likely defeat those hopes. Accordingly, while I would like to be able to vote for this bill, I cannot.

I am a longtime student of technology and of telecommunications. I know what benefits they can bring. I have promoted State and Federal support for technology in the classroom and I have sponsored legislation to provide that support. I am proud to have